

ABSTRACT

on bachelor's degree qualification paper on the topic
« UKRAINE'S FOREIGN TRADE RELATIONS WITH CHINA »
student Daria Bondar

The main content of the bachelor's degree qualification paper is presented on 30 pages, including references consisted of 19 used sources, which is placed on 2 pages. The paper contains 2 tables, 3 figures.

Keywords: INVESTMENTS, TRADE AND ECONOMIC RELATIONS, UKRAINE, CHINA, IMPORT, EXPORT, INVESTMENTS.

The purpose of the bachelor's thesis is to identify trends and development of trade and economic relations between Ukraine and China.

The object of the study is the Ukrainian-Chinese cooperation in the field of trade relations.

The subject of the study is the prospects for the development of relations between Ukraine and China.

In the course of the study, statistical methods were used for the tasks set, with the help of which a comprehensive analysis was carried out that characterizes the state and dynamics of the Chinese economy.

The information base of the work is legislative and regulatory documents on trade and economic relations between Ukraine and China.

Based on the results of the study, the following conclusions were drawn:

1) Statistical information on the joint work of Ukraine and China, it can be clearly noted that at this stage of the recovery of the Ukrainian economy, the assistance of the Asian region is very necessary. China, remaining the world leader in one of the leading economies, provides tremendous support to Ukraine at this stage and is the main trading partner. All this indicates that China is interested in the continuous development of Ukraine, as well as in strengthening bilateral cooperation on a mutually beneficial basis. Ukraine, in turn, must take an even more active

position in the movement of interstate interaction in order to find new points of contact. The main way to improve Ukraine should remain the improvement of trade policy to strengthen economic cooperation with the countries of the world, primarily in Asia, as well as the introduction of targeted programs and programs for the resumption of the economy of the regions of Ukraine. Ukraine.

2) Given the size of the Chinese economy and its growth rate, direct competition with the PRC is unthinkable, therefore, in order to protect economic security and maintain export volumes, Ukraine must optimize those industries in which domestic producers retain a relative predominance and have the slightest similarity of the export portfolio with the PRC. Such priority sectors include agriculture, the food industry and high-tech engineering (space and military industries). Therefore, it is rational to revise the export scheme as soon as possible, take government measures to reduce the export of raw materials and inexpensive materials and stimulate an increase in sales of finished and technologically innovative products.

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Chapter 1 Theoretical foundations of the analysis of foreign trade relations.

Chapter 1 deals with theoretical basis for assessing foreign trade relations, that is, how trade relations between the two countries are assessed, what indicators are used to assess why the analysis of relations with China is important for Ukraine.

Chapter 2 Modern foreign economic relations between Ukraine and China

Chapter 2 deals with modern trade Ukrainian-Chinese relations. Major services exported and imported between China and Ukraine. And a comparison of investments between these countries.

Chapter 3 Recommendations for the development of trade relations between Ukraine and China

Chapter 3 deals with recommendations for the developments of relations and main pros and cons of cooperation between two countries Ukraine and China

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CONTENT

Introduction.....	7
1 Theoretical foundations of the analysis of foreign trade relations	10
1.1 Characteristics of approaches to the assessment of foreign trade relations.....	10
1.2 Stages of analysis and indicators for assessing foreign trade relations.....	15
2 Modern foreign economic relations between Ukraine and China.....	18
2.1 Development and structure of Ukraine’s foreign trade relations with China	18
2.2 Ukraine’s foreign trade with China.....	20
2.3 Economic investments in trade relations between Ukraine and China.....	22
3 Recommendations for the development of trade relations between Ukraine and China.....	25
3.1 Ukraine-China Partnership Development Project	25
3.2 Pros and cons of trade and economic cooperation between Ukraine and China.	26
Conclusion	29
References	30
Summary.....	33

INTRODUCTION

Relevance of the research topic. The dynamics of Ukraine's participation in the processes of global economic integration necessitates the modernization of Ukraine's foreign trade strategy of cooperation with the most important partners while maintaining the economic security of the state. This issue is especially relevant due to the crisis in the European Union and the slowdown in Ukraine's European integration. The strategic development of the national economy in the conditions of geopolitical changes presupposes the intensification of participation in integration processes not only with the European Union but also with other mega-regional entities and countries. Accordingly, it is necessary to develop complementary strategies of bilateral economic cooperation between Ukraine and the 3 dominant countries - the centers of the global economy, one of which is the People's Republic of China (PRC). However, the development of bilateral Ukrainian - Chinese economic relations, especially trade, in the context of China's dynamic growth, may not only strengthen Ukraine's economic security but also pose certain threats. At present, Ukrainian-Chinese foreign trade relations are characterized by significant uncertainty and instability, largely due to the imperfection of cooperation strategies and programs, which are especially important in the context of globalization.

Despite significant scientific achievements, at the present stage of the global economy, the problems and prospects of foreign trade relations between Ukraine and China need further research in detail at various levels of the systemic hierarchy in compliance with the criteria of foreign trade security. The strategic priorities of transformation of Ukraine's trade relations with China in the context of globalization, methodology of substantiation of conceptual bases of mutually beneficial trade strategy on the basis of a whole set of theoretical and methodological approaches to assessing positive and negative effects of sectoral-sectoral forms of cooperation and acquired competitive advantages. The importance, relevance of these problems, and the need for their scientific-applied solution led to the choice of

the dissertation topic, purpose, objectives, object, subject, scientific and practical significance, the logic of research, and presentation of results.

The purpose and objectives of the study. The purpose of the dissertation is to substantiate the theoretical and methodological bases for determining strategic priorities and developing tools and scientific and applied recommendations for the development of Ukrainian - Chinese trade relations in the context of globalization. Achieving this goal involves setting and solving the following tasks:

- to reveal the essential characteristics of the foreign trade component of the category "economic security of the state", to summarize the theoretical and methodological foundations of strengthening the security of bilateral trade;

- identify the dominant trends and characteristics of the parameters of the quality of trade with the Asia-Pacific countries to form an information base for the study of threats to Ukraine's foreign trade security;

- to propose a holistic set of interrelated modified theoretical and methodological approaches to the study of the state and justification of strategic priorities for the development of bilateral trade between Ukraine and China, focused on combating foreign trade threats;

- to prove the intersystem interconnection and structural interdependence of foreign trade and economic security as a criterion basis for choosing the target orientation of methods for assessing the feasibility and effectiveness of bilateral trade;

- outline the determining factors and factors influencing Ukrainian - Chinese trade on Ukraine's foreign trade security;

- identify key institutional barriers to the development of Ukrainian-Chinese trade to develop strategic decisions to improve the institutional base of bilateral trade;

- to propose the conceptual foundations of the model of structural integration through the deepening of Ukraine's trade relations with China from the standpoint of China's foreign trade strategy;

- to substantiate the structural priorities and the System of bilateral trade in the forms of interregional and sectoral cooperation between Ukraine and China;
- to determine the priority directions of the formation of organizational and institutional components of development of the Ukrainian - Chinese trade for the realization of model of structural integration in trade relations.

The object of study is the process of development of Ukrainian - Chinese trade relations in the global environment.

The subject of the research is the theoretical and methodological bases of substantiation of strategic priorities and means and scientific and applied recommendations on the development of trade with China and strengthening the foreign trade security of Ukraine. Research methods.

The methodological basis of the dissertation are: theories of globalism, international relations and international trade, economic security and power of the state, cross-border and iHT cooperation; methodological provisions of domestic and foreign scholars on the study of bilateral foreign trade relations in combination with 3 economic, including foreign trade security of the state; a set of research methods, namely: historical - logical (for retrospective analysis of the evolution of Ukrainian - Chinese trade); system analysis (to study the theoretical foundations of the security component of trade relations); economic modeling (to justify the strategic priorities and means of development of Ukrainian - Chinese trade); economic - mathematical analysis (to study the foreign trade activity of Ukraine, China and the countries of the Asia - Pacific region); assessments of the complementarity of bilateral trade, relative comparative advantages, intensity, trade specialization, intra-industry trade; calculation of the integrated index of foreign trade security of the SWOT matrix - analysis of problems and prospects of Ukraine's foreign trade development; regression analysis to assess the relationship between indicators of Ukrainian - Chinese trade and indicators of Ukraine 's foreign trade security.

1. THEORETICAL FOUNDATIONS OF THE ANALYSIS OF FOREIGN TRADE RELATIONS

1.1 Characteristics of approaches to the assessment of foreign trade relations

The applied research methods are divided into the following classification groups depending on the aspect of foreign trade interstate cooperation: 1) methods of calculating indicators of the country's openness to the global economy and, in particular, the results of foreign trade; 2) methods for estimating growth rates of foreign trade; 3) methodological approaches to the analysis of the spatial species structure of foreign trade and trade efficiency; 4) methods for assessing the degree of manufacturability and quality of foreign trade. Methods of assessment of foreign trade security of the state can be supplemented or specified both on components and on separate indicators depending on the purposes of research [2]. When using these, it should be borne in mind that they relate only to the international aspect of trade relations and for their calculation do not use domestic trade statistics. Therefore, significant part indicators (openness of the economy, extraversion of foreign trade, relative comparative advantages) are influenced by indicators of re-exports, re-imports, and certain parameters of domestic trade. In the context of the subject of research, it is advisable to choose the following empirical methods of measuring foreign trade security of the state, which are useful for [3]:

- identifying the main trends in foreign trade cooperation;
- assessing the quantitative and qualitative benefits of bilateral trade;
- identification of the main threats to the economy of the state, both in terms of the target function and in terms of criterion-limiting security of economic development.

Taking into account the above, the subject of the study, and available statistical and information sources, the following indicators were selected for the assessment of foreign trade security of the state [3]:

- 1) basic indicators of international trade (exports, imports, foreign trade turnover, normalized trade balance);
- 2) foreign trade extraversion index;
- 3) import penetration index;
- 4) economic openness index;
- 5) export-export coverage index;
- 6) the share of innovative products in merchandise exports;
- 7) the coefficient of efficiency of foreign trade of the "energy-dependent economy";
- 8) export similarity index;
- 9) foreign trade complementarity index;
- 10) index of identified comparative advantage;
- 11) index of intra-industry trade;
- 12) trade intensity index;
- 13) trade specialization index.

Export / Import Coverage - is the ratio of the relative volume of exports to the magnitude of coordination, which reflects above the volume of imports, ie the amount of XMC_j the excess of exported goods per unit of imported. In essence, this indicator allows you to analyze the level of foreign trade self-sufficiency of the country.

The coefficient of coverage of imports by exports (XMC_j) is calculated by the formula:

$$XMC_j = \frac{X_j}{M_j}, \quad (1.1)$$

where j - is the country whose trade is analyzed;

X_j - the volume of total world exports of goods of the country;

M_j - the volume of total imports of goods of the j -th country.

The Extraversion Index (EXI_j or XPI_j) - characterizes the importance of exports for the country's economy, the degree of dependence of domestic production on foreign trade, so the index is considered as "index of export propensity".

$$XPI_j = \frac{X_j}{GDP_j} \times 100\%, \quad (1.2)$$

where j - is the country under analysis;

X_j - total exports of the country;

GDP_j - is the volume of GNP of the country.

The index takes values from 0 (there are no exports) to 100 (all goods made in the country are exported).

Foreign Trade Dependence Index (an indicator of the importance of foreign trade for the national TDI) or the degree of openness of the economy to foreign trade, so it is also called the coefficient, or index of openness of the economy.

$$TDI_j = \frac{X_j + M_j}{GDP_j}, \quad (1.3)$$

where j - is the country under analysis;

X_j - total exports of goods to the country;

M_j - total imports of goods to the country;

GDP - national product (GNP) of the country.

The import penetration index (MPI_j) - reflects a frequent obligation of domestic consumption, as if to be satisfied with imports. At the same time, the volume of domestic demand is defined as the difference between the volume of the country's GNP and the volume of exports. The import penetration index is used to assess the level of the economy's volatility before international trade shocks.

$$MPI_j = \frac{X_j}{(GDP - M)_j} \times 100, \quad (1.4)$$

where j - country, as it is analyzed;

X_j - total amount of export j -th country;

M - total obligation to imports of the j -th country;

GDP_j - amount of GNP j -th country.

The acceptance index has a value from 0 (no imports) to 100 (internal pop is provided by imports; internal selection and export allowance) [1].

Economic security as a theoretical category does not have a single interpretation in world economics. In the capitalist countries of the United States and Western Europe, the term "economic security" means primarily the protection of individuals, citizens, and households from a sharp deterioration in their financial and economic condition. Asian scholars, including those from China, interpret the category of "economic security of the state" more globally and understand it as the protection of the state, the national economy from external and internal challenges, the absence of existing geopolitical conflicts, and enemies. At the same time, Chinese scholars attach importance to economic independence, for example, because of the impact of foreign capital and investment in the modern Chinese economy. The domestic approach to the interpretation of the category of "economic security" combines the global dimension characteristic of Asian works in this area and the European mentality, according to which security provides opportunities for growth and improvement of the state or individual. Despite the significant number of publications of theoretical and practical significance in domestic science, some aspects of the interpretation of the term economic security in the context of globalization remain unexplored, namely: 1) the transformation of threats to economic security in the globalization process; quantitative and qualitative indicators of threats to economic security and their dynamics; 2) the dependence of the impact of threats to the national economy, in particular threats to economic expansion; 3) ensuring economic security in the context of bilateral cooperation [4].

Improving traditional and forming new methods and forms of bilateral economic cooperation, adequate to modern challenges and threats to the environment, requires justification of the feasibility and means of determining

critical parameters and targets for the development of bilateral relations. The criterion of modeling the strategy of cooperation is the economic security of partner countries and the development of relations. Providing quality scientific support in the process of forming a strategy of not only bilateral but also collective economic relations requires thorough research to determine the optimal parameters of economic cooperation for all parties (sufficient and necessary prerequisite for effective cooperation). In the process of analysis of bilateral economic relations, it is necessary to take into account the dominant characteristics of cooperation, and potential opportunities, identify threats and risks, outline trends and forecasts for future development.

A holistic logically mutually agreed with a set of methods for assessing the quantitative and qualitative characteristics of bilateral relations with partner countries, which is focused on identifying destructive and dominant trends³ in order to form priority areas for further cooperation. This analysis allows us to study the foreign trade component of relations not only with China but also with other partners in the Asia-Pacific region, to propose measures to diversify trade relations and increase their efficiency [5].

Thus, economic security as a theoretical category does not have a single interpretation in world economics. In the capitalist countries of the United States and Western Europe, the term "economic security" means primarily the protection of individuals, citizens, and households from a sharp deterioration in their financial and economic condition. Asian scholars, including those from China, interpret the category of "economic security of the state" more globally and understand it as the protection of the state, the national economy from external and internal challenges, the absence of existing geopolitical conflicts, and enemies. At the same time, Chinese scholars attach importance to economic independence, for example, because of the impact of foreign capital and investment in the modern Chinese economy. The domestic approach to the interpretation of the category of "economic security" combines the global dimension characteristic of Asian works in this area

and the European mentality, according to which security provides opportunities for growth and improvement of the state or individual [6].

1.2 Stages of analysis and indicators for assessing foreign trade relations

The legislative basis for trade relations between Ukraine and China is the Agreement between the Government of Ukraine and the Government of the People's Republic of China "On Trade and Economic Cooperation", "On Scientific and Technical Cooperation", "On Encouragement and Mutual Investment Protection "of," On Avoidance of Double Taxation and Prevention of Tax Evasion with Respect to Taxes on Income and Property "of, Program for Development of Strategic Partnership Relations between Ukraine and China for 2014-2018, etc. . It can be stated that the two countries have formed a legal basis for building and developing effective foreign trade relations [7].

I conduct a comparative analysis of GDP at current prices and GDP per capita of Ukraine and China for 2012-2017 (Table 1.1).

Table 1.1 - Dynamics of gross domestic product of Ukraine and China 2012-2017

GDP current pices, USD	2012	2013	2014	2015	2016	2017
China	8386,677	9 469,124	10 355,350	11 285,127	12 235,115	13 263,313
Ukraine	176,529	178,313	134,885	136,067	148,457	163,675
GDP comparison ratio in current Chinese prices and Of Ukraine	47,5	53,1	76,8	82,9	82,4	81,0
GDP per capita, USD USA	2012	2013	2014	2015	2016	2017
China	6193,818	6958,686	7572,358	8211,486	8858,747	9555,759
Ukraine	3883,745	3929,973	2978,775	3010,898	3291,666	3636,346
Coefficient of comparison of						

GDP per capita of China and Ukraine	1,6	1,8	2,5	2,7	2,7	2,6
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The calculations conducted from 2012 to 2017 showed a steady trend of exceeding China's GDP. If in 2012 the coefficient of excess was 47.5, in 2013 - 53.1. The situation has been deteriorating since 2014, ie since the complication of the socio-economic situation in Ukraine, the GDP comparison ratio increased to 76.8 in 2014, 82.9 in 2015, 82.4 in 2016, and 81 in 2017.

According to the State Statistics Service of Ukraine in the geographical structure of foreign trade turnover during 2004-2020. China's share averaged 4.69% (3.08% of total exports and 6.04% of total imports) (Table 1.2) .

Table 1.2 - Dynamics of exports and imports between Ukraine and China 2004-2020

YEAR	EXPORT billion USD	RATE of change export, %	IMPORT Billion USD	RATE of change, %
2004	0,48	-	0,2	-
2005	0,67	139,6	0,26	130,0
2006	1	208,3	0,52	260,0
2007	0,82	170,8	0,74	370,0
2008	0,71	147,9	1,81	905,0
2009	0,54	112,5	2,31	1155,0
2010	0,43	89,6	3,31	1655,0
2011	0,55	114,6	5,6	2800,0
2012	1,43	297,9	2,73	1365,0
2013	1,32	275,0	4,7	2350,0
2014	2,18	454,2	6,27	3135,0
2015	1,78	370,8	7,9	3950,0
2016	2,73	568,8	7,903	3951,5
2017	2,67	556,3	5,41	2705,0
2018	2,4	500,0	3,77	1885,0
2019	1,83	381,3	4,69	2345,0
2020	2,04	425,0	5,65	2825,0

The calculation of the basic rate of change in Ukraine's exports to China for 2004-2020 showed that, with the exception of 2007, exports grew steadily compared to 2004. Moreover, the highest growth rates were observed in the period from 2016 to 2018.

To conclude, given the size of the Chinese economy and its growth rate, direct competition with China is impossible, therefore, to protect economic security and preserve exports, Ukraine needs to optimize those industries in which domestic producers maintain a relative advantage and that have the least similarity in their export portfolio to China. Such priority sectors include agriculture, food industry and high-tech mechanical engineering (space and military spheres). Therefore, it is advisable to review the structure of exports as soon as possible, to take state measures to reduce exports of raw materials and cheap materials and stimulate sales of finished and technologically innovative products. Further prospects of the study are to identify and assess the factors influencing the Ukrainian-Chinese trade relationships.

2. MODERN FOREIGN ECONOMIC RELATIONS BETWEEN UKRAINE AND CHINA

2.1 Development and structure of Ukraine's foreign trade relations with China

In terms of exports, China ranks 1st in the world. Exports provide 80% of foreign exchange earnings. About 20 million people are employed in export industries. 20% of the gross output of industry and agriculture is exported to the foreign market. The nomenclature of exports includes 50 thousand items. China maintains trade and economic relations with 182 countries and regions of the world, 80 of which have signed intergovernmental trade agreements and protocols. China's main trading partners are developed capitalist countries, primarily Japan, the United States, and Western European countries, which account for 55% of foreign trade [8].

The most competitive products are still shoes, clothes and toys, but the export of electronics, bicycles, motorcycles and vehicles, transport and construction machinery is growing.

Since 2004, China has been a world leader in exports of office and telecommunications equipment, and since 2005 in terms of high-tech exports. China's textile industry is the first in the world, so China's exports are represented in most countries. Textile companies specialize in the manufacture of clothing from synthetic fabrics.

Enterprises in this industry are scattered throughout the country, but the largest are in Shanghai, Canton and Harbin.

Ukraine is interesting to the Chinese because of production, science, resources, human potential, as well as advantageous geographical location. In addition, Ukraine has a large consumer market - 38 million people. Ukrainian-Chinese cooperation began with the signing of the Agreement between the Government of Ukraine and the Government of the People's Republic of China on trade and economic cooperation in 1992. This agreement established the most-

favoured-nation treatment of export and import duties on goods of the two countries, taxes and internal duties [9].

In the first 12 months of 2020, Ukraine imported \$ 54.2 billion worth of goods (compared to 2019, imports decreased by \$ 6.2 billion). Exports from Ukraine amounted to \$ 49.2 billion (decrease in exports amounted to \$ 0.85 billion). Accordingly, the export-import balance was negative - it amounted to five billion dollars. The total turnover in 2020 amounted to 103.4 billion dollars, which is 7 billion less than in the previous year.

China ranks 2nd in the geographical structure of foreign trade with a share of 13% of trade (exports - 5%, imports - 13%). The volume of trade increased by 29.3% compared to the previous year (Figure 2.1).

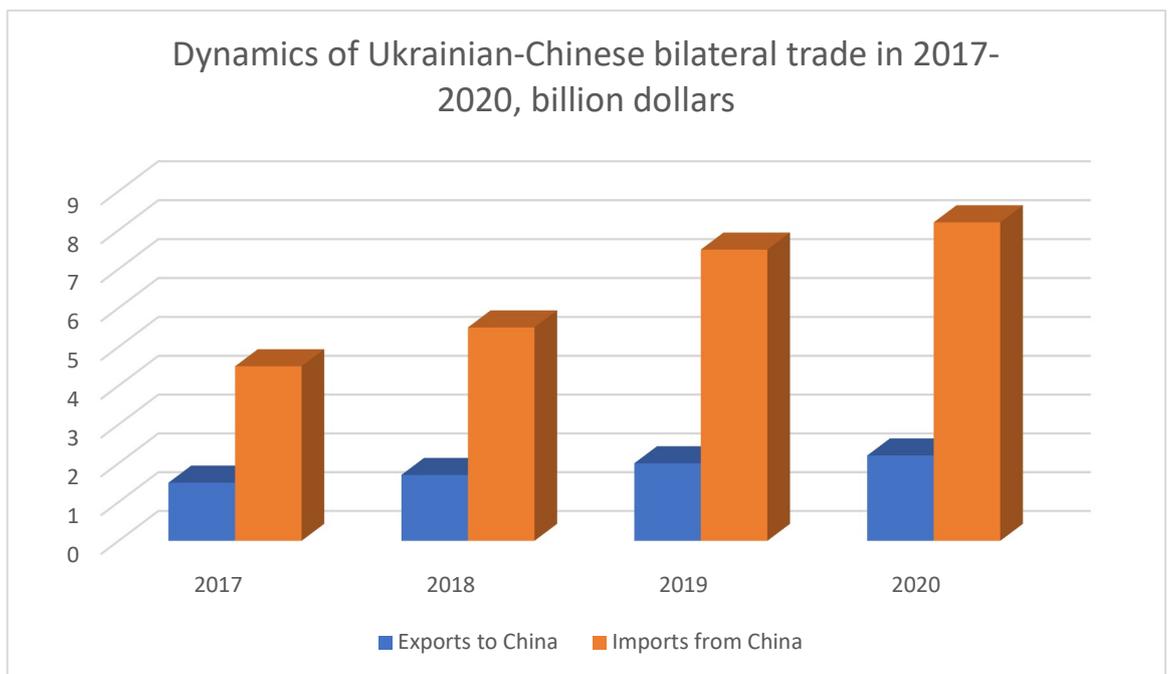


Figure 2.1 – Dynamics of Ukrainian-Chinese bilateral trade in 2017-2020, billion dollars

The main export goods of the Ukrainian market are raw materials, but if we talk about imports, one of the first places is occupied by the technological industry.

That is, the percentage of exports to China is 94.1.

In 2020, the largest commodity position in China is 85%, including:

- iron ore and concentrates - 33%;
- corn - 24%;
- sunflower oil and seeds - 17%;
- turbojet engines - 109%.

In the period from 2017 to 2020, the value of exports of iron ore and concentrates decreased by an average of 20% annually, and corn - increased by 19%. It is worth noting that in 2020, 66% of China's total imports of corn and 61% of sunflower oil will be covered by Ukrainian exporters. In recent years, China is one of key trade partners of Ukraine [10].

Thus, bilateral trade between Ukraine and China shows an upward trend after the fall. However, there is a tendency to increase the negative balance. In recent years, China has been one of Ukraine's key trading partners.

2.2 Ukraine's foreign trade with China

Ukraine imports from China mainly services related to financial activities, business and transport services. Trade in services still occupies a small place in the overall volume of trade in goods and services between Ukraine and China.

Services accounted for 4.8 percent of exports of goods and services from Ukraine to China, 2.7 percent of imports of goods and services in 2020. However, over the past five years, an increase in the share of services in bilateral trade with China has been observed. In the structure of Ukrainian exports of services to China in 2020, almost 50% were transport services, and the vast majority of them were air transportation. A significant place in exports was also occupied by business services, the largest volumes of which were exported by services in the field of research and development. Travel and telecommunication, computer and information services were provided [20].

The export of services from Ukraine to China has grown by 1.5 times compared to 2017. However, one of the growth leaders was services in the field of telecommunications, computer and information services - 5 times compared to 2017.

At the same time, the export of services related to travel and services for the processing of physical sources decreased. Ukraine also imports services in the field of telecommunications, computer and information services, and government and government services and services related to travel [11].

Compared to 2014, the import of services from China has grown 2.4 times. At the same time, imports of travel-related services were declining.

1. Energy. Significant in the stage of development of both states is the provision of economic security, a combined part of which is energy autonomy. China is rapidly developing alternative energy. According to estimates of the future Ukrainian trade turnover, Chinese sponsors in Ukraine may be interested in future energy plans: nuclear, thermal, wind, solar.

2. Infrastructure. In addition to the energy branch, the formation of infrastructure is significant for China. Ukrainian infrastructure is in a skeptical state and needs to be improved and reconstructed. Consequently, Chinese sponsors may be interested in such infrastructure projects as: railways, highways, seaports, and the aviation industry.

3. Agriculture. In 2019, Ukraine provided 66% of Chinese imports of corn and 59% of sunflower oil.

4. Tourism. The tourism potential of Ukraine is grandiose: a favorable microclimate, diverse landscapes, seas and rivers, healing waters, mud, etc. However, the tourism sector needs investments in the development of infrastructure. Consequently, the formation of resort and hotel complexes can be attractive for Chinese sponsors.

In general, over the twenty-seven years of Ukrainian-Chinese diplomatic relations, the spheres of tactical cooperation between our states have been continuously expanding. Today, productive cooperation is carried out between the states in agriculture, energy, the development of transport infrastructure, financial and banking sectors. Ukraine and China closely cooperate in the field of education, science and special technologies, culture, sports and tourism [12].

In recent years, China's imports to Ukraine have exceeded Ukraine's exports to China by 2-4 times. Trade in services between Ukraine and China also needs to be more saturated. The intensification of bilateral trade in goods between Ukraine and China will contribute to the subsequent growth of trade in services.

Thus, the analysis shows a high concentration and non-diversification of Ukrainian exports to China. In recent years, China's imports to Ukraine have been 2-4 times higher than Ukraine's exports to China. In general, there is significant untapped potential for diversification and increasing Ukrainian exports of goods to this market. Trade in services between Ukraine and China also needs more intensive development. So far, it occupies a small place in the overall bilateral trade between the countries, although its role is gradually growing. The intensification of bilateral trade in goods between Ukraine and China will also contribute to the further growth of trade in services.

2.3 Economic investments in trade relations between Ukraine and China

According to the State Statistics Service of Ukraine, at the beginning of 2020, the complex volume of direct Chinese investments in the equity capital of Ukraine amounted to \$33.6 million. Equity investments from Ukraine into the Chinese economy amounted to \$0.6 million. More than forty percent is concentrated, preferably in the processing industry.

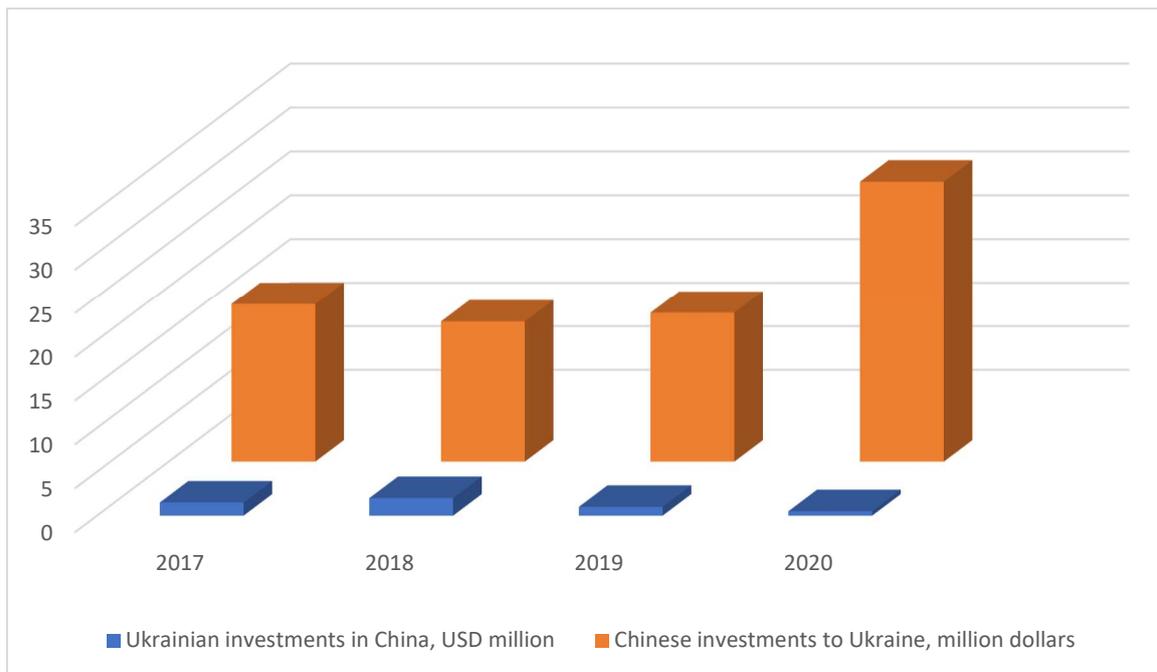


Figure 2.2 - Dynamics of China's foreign direct investment in the Ukrainian economy at the beginning of the year, million dollars.

At the beginning of 2020, the largest share of Chinese investment was in agriculture - 40%, industry - 30% and wholesale and retail trade - 10%. Due to the growing number of Chinese projects in Ukraine, the share of investments in professional and scientific-technical activities has also increased [13].

According to the State Statistics Service of Ukraine, as of the end of 2020, there are 1,200 enterprises with Chinese investments. This is more than one percent of the total number of enterprises in Ukraine. On the Figure 2.3 you can see growth of Ukraine's companies with Chinese investments.

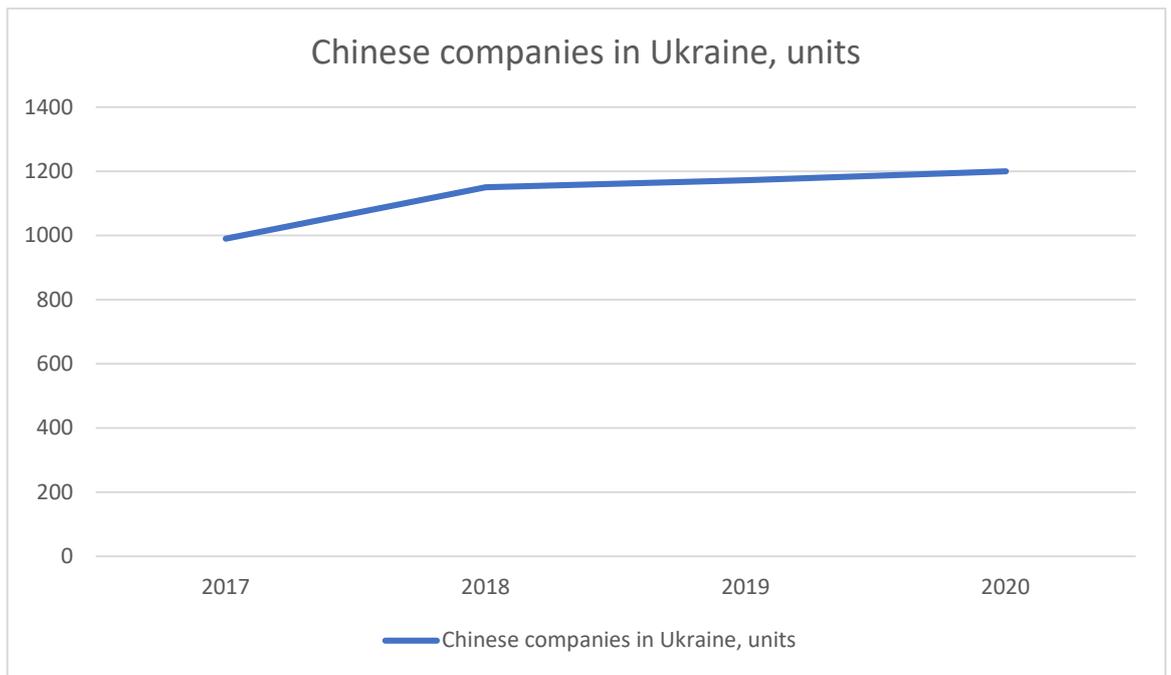


Figure 2.3 - Dynamics of the number of enterprises with Chinese investments, 2017–2020

In the period 2017-2020 on the Ukrainian market, Chinese and Ukrainian companies signed three agreements in the energy, metallurgical and banking sectors:

- obtaining solar stations;
- purchase of a mining organization;
- purchase of almost all shares of the Ukrainian Bank for Reconstruction and Improvement [19].

To sum up, statistics highlight that the investment potential is not being used to its full potential. This is due to factors of low investment activity. Corruption, the tax burden, unstable and exorbitant regulation, an unclear legal system, and the volatility of the political and economic environment have the greatest negative impact. However, the factors that positively affect the investment attractiveness of Ukraine include the geopolitical situation, skilled and cheap labor, and low costs for sources.

3. RECOMMENDATIONS FOR THE DEVELOPMENT OF TRADE RELATIONS BETWEEN UKRAINE AND CHINA

3.1 Ukraine-China Partnership Development Project

If we review the state of Ukrainian-Chinese cooperation in 2017-2019, it is noticeable that the political dialogue with China is no longer as dynamic as in 2010-2017. In the political sphere, the situation has finally been formed when the PRC, in the international arena, while declaring support for the regional integrity of Ukraine on all the main issues for our state at all levels, supports the position of the Russian Federation as an aggressor state and opposes the measures of political and sanctions pressure on Russia by the world community.

Attracting a Chinese financial source in 2012-2017 for the implementation of large-scale programs in the infrastructure, agro-industrial and energy sectors should have led to the activation of economic cooperation between the two states and provided the implementation of self-sustaining programs that, under other factors, had no ways of financing. Chinese agreements provide for the purchase of at least 50-60% of China's goods and services, which greatly increases the price of the programs themselves and complicates implementation due to the need to agree on prices and separate services [14].

In 2017-2019 the activation of the implementation of programs within the framework of the Chinese initiative "One belt, one road" did not take place. "One Belt, One Road" is an initiative of the PRC, a global infrastructure improvement tactic adopted by the Chinese government in 2013 to invest in almost seventy countries and international organizations.

Recommendations for further cooperation with China:

1) political direction

- it is rational for Ukraine to establish bilateral relations in areas that are attractive to China and, at the same time, do not contradict the political course of Ukraine and its closest allies;

- it is necessary to realize the low probability of political support for the PRC in the foreign arena, in parallel - to revise its own economic and foreign policy towards this state (the current policy of unconditional support for China in emotional matters).

2) Economic direction:

- careful analysis and objective assessment of common programs to make a decision at the highest level regarding the rationality of continuing / stopping work on them.

– participation of Ukraine in the international economic plans of China.

- activation of sectoral and interregional cooperation. Activity on contracts that are very unprofitable for our state should be ended with a clear formulation of the reasons for such a decision by the Ukrainian side and initiation of an appropriate discussion of this topic with the Chinese side [15].

We conclude that for further trade and economic cooperation between Ukraine and China, it is worth strengthening and paying attention to political and economic areas. During which to consider bilateral relations between Ukraine and China, to take an active part in Ukraine's international projects of China, etc.

3.2 Pros and cons of trade and economic cooperation between Ukraine and China

Particularly promising sectors in the joint work of Ukraine with China are the agro-industry and engineering, and the risk factor is the influx of Chinese labor. There are many right sides of this cooperation for Ukraine, and the financial sources of China will help the formation of Ukrainian programs. China is now one of the main economic partners for Ukraine. As for the possible areas of cooperation, the Chinese side is interested in large agricultural plans [16]. It must be understood that this market is very promising for Ukraine. First of all, this is the formation of very different areas: from the agricultural to the machine-building industry. And since China now has financial sources, it can develop various plans in Ukraine: both

infrastructural and transport. Among the promising areas in the joint work of Ukraine with China is agriculture. China wants to build farms and agricultural enterprises, which is quite profitable for Ukraine.

If we talk about acceptable risk, then of course it is always present. In the given situation, there are a number of risk factors. In the issue of the agricultural industry, the issue may be the fact that the legislation of Ukraine prohibits the allocation of land for private ownership to foreigners. In addition, the circumstances of the Chinese side in joint work with Ukraine are quite severe. This is more than high financial rates, plus the origin of the Chinese labor force in general production or on Chinese plans in Ukraine. The factor of migrants also plays a role here, which is also a risk in the conditions of this cooperation [17].

In turn, Ukraine has a certain number of advantages that give us some competitive advantages even over China:

1) Cheap labor.

The low wages of the Chinese are already a thing of the past. Wages have more than quadrupled since the turn of the century. In Ukraine, the price of labor is cheaper.

2) The population of China continues to grow.

Over the past ten years, it has increased by almost fifty million, that is, more than the size of today's Ukraine. It needs, at a minimum, food delivery. Here, Ukraine opens up opportunities with its rapidly progressing agricultural sector.

3) China is the most important contractor of goods in the EU.

This means that it is many times more advantageous for China to move part of its production to Ukraine in order to quickly deliver goods to the EU states.

4) If other zones of free trade in Ukraine can be expected to be typical, then China's chances to develop its products in other parts of the world are also increasing.

5) China does not have annual opportunities.

They usually have tactical thinking in government planning. 10-30 years is an absolutely typical planning horizon for Beijing. Once they set the direction, they are unlikely to change it. If other FTAs in Ukraine also start working in a typical way,

China's chances of developing its products to other parts of the world are also growing [18].

Foreign factors (China)	Strengths	Weaknesses
	<ol style="list-style-type: none"> 1. Convenient geographical position of Ukraine, bordering the EU; 2. Large deposits of natural resources; 3. High potential of the educational process; 4. Timely scientific and technical developments. 	<ol style="list-style-type: none"> 1. Developing military conflict in the country 2. The need for an energy resource 3. Domestic products account for low competitiveness 4. Jumping national currency 5. Low-paid workforce
Domestic factors (Ukraine)	Opportunities	Threats
	<ol style="list-style-type: none"> 1. Agreement on free trade between Ukraine and China; 2. Expansion of the Free Trade Zone project; 3. Determination of trade products for further relations between Ukraine and China. 	<ol style="list-style-type: none"> 1. Asymmetric trade between states: export of Ukrainian raw materials and modern technological equipment of the PRC; 2. Saving a low balance in the foreign economic relations of states; 3. A high percentage of tariff protection for agricultural products.

Figure 3.1. - SWOT analysis of trade and economic relations between Ukraine and China.

To conclude, China is one of the main economic partners for Ukraine now. As for the possible areas of cooperation, the Chinese side is interested in large agricultural plans. Among the promising areas in the joint work of Ukraine with China is agriculture. China wants to build farms and agricultural enterprises, which is quite profitable for Ukraine. Of course there are some risks for such cooperation, like the fact that the legislation of Ukraine prohibits the allocation of land for private ownership to foreigners.

CONCLUSION

Having studied and analyzed the statistical information on the joint work of Ukraine and China, it can be clearly noted that at this stage of improving the Ukrainian economy, the help of the Asian region is very necessary. China, remaining the world leader in one of the leading economies, provides tremendous support to Ukraine at this stage and is the main trading partner. All this indicates that China is interested in the constant development of Ukraine, as well as the strengthening of bilateral cooperation on a mutually beneficial basis. Ukraine, in turn, should take an even more active position in the movement of interstate interaction in order to find new points of contact. The main way to improve Ukraine should remain the improvement of trade policy to strengthen economic cooperation with the countries of the world, primarily in the Asian direction, as well as the introduction of targeted programs and programs for the resumption of the economies of the regions of Ukraine.

Considering the size of the Chinese economy and its growth rates, direct rivalry with the PRC is unthinkable, therefore, in order to protect economic security and maintain export volumes, Ukraine must optimize those branches of production in which domestic manufacturers maintain a relative predominance and have the slightest similarity of the export portfolio from the PRC. Such priority sectors include agriculture, the food industry and high-tech engineering (space and military sectors). Therefore, it is rational to revise the export scheme as soon as possible, take government measures to reduce the export of raw materials and inexpensive materials and stimulate an increase in sales of finished and technologically innovative products.

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SUMMARY

Bondar D.Y. Foreign trade relations between Ukraine and China. - qualifying bachelor's work. Sumy State University, Sumy, 2022.

Qualification bachelor's work is devoted to the study of trade and economic relations between Ukraine and China. Pros and cons of Ukrainian-Chinese relations. It also describes the main services exported and imported between these countries.

Key words: investments, trade and economic relations, Ukraine, China, import, export, investment.

АНОТАЦІЯ

Бондар Д.Ю. Зовнішньоторговельні відносини між Україною та Китаєм. - кваліфікаційна робота бакалавра. Сумський державний університет, Суми, 2022.

Кваліфікаційна бакалаврська робота присвячена вивченню торговельно-економічних відносин між Україною та Китаєм. Плюси та мінуси українсько-китайських відносин. Описано основні послуги, що експортуються та імпортуються між цими країнами.

Ключові слова: інвестиції, торгово-економічні відносини, Україна, Китай, імпорт, експорт, інвестиції